



Figures released by the Ministry of Finance, Customs Directorate, indicate a trade deficit of US\$ 7,326 million during the period of January-May of 2014, 2 percent higher than the deficit of US\$ 7,193 million registered during the same period of 2013. The US\$ 134 million deterioration in the trade deficit is rooted in significantly lower exports - by US\$ 581 million - which were partly counterbalanced by lower imports of US\$ 447 million.

Total **imports** reached US\$ 8,713 million during the period of January-May 2014, registering a decrease of 5 percent in value terms, while in terms of volume they increased by 3 percent when compared to the same period of 2013.

- Imports of **"Mineral fuel and oil"** registered a year-on-year decrease of 11 percent (US\$ 242 million), while in terms of volume they decreased by 4 percent. This drop is driven by the 17 percent<sup>1</sup> drop in non EDL fuel imports that was partly offset by a significant increase of 16 percent in EDL fuel imports from US\$ 454 million in January- May 2013 to US\$ 529 million in the same period of 2014.
- Imports of **"Unwrought & semi-manufactured gold, diamonds, precious stones & metals"** continued to decrease since February 2013, dropping during January-May 2014 by 28 percent (US\$ 166 million)<sup>2</sup>, along with a decline of 23 percent in terms of volume.

**Table 1: Imports of Natural and precious stones – main components (US\$ Million)**

Description	Jan-May 2013	Jan-May 2014	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set	87	84	-3	-4%
Precious stones (other than diamonds) and semi-precious stones	6	10	4	62%
Gold (including gold plated with platinum)	481	318	-163	-34% <sup>3</sup>
Articles of jewelry and parts	13	14	-4	-23%

*Source: Directorate General of Customs, Ministry of Finance*

- Excluding **"Mineral fuel and oil"** and **"Unwrought gold, un-mounted diamond & precious stones"**, imports slightly decreased by 1 percent (US\$ 39 million) during January-May 2014 compared to the same period of 2013. In fact, the main decreases were witnessed in **"Electrical machinery and equipment"**, **"Vehicles and accessories, cranes & lorries"** and **"Tobacco and manufactured tobacco substitutes"** registering drops of 24

<sup>1</sup> This decrease in imports of Non EDL fuel is mainly due to lower exports of fuel to Syria by 98 percent (US\$ 258 million). In fact, a considerable part of fuel imports was exported to Syria during the past year.

<sup>2</sup> This significant drop is mainly attributed to lower imports from Egypt and Switzerland by 89 percent (US\$ 66 million) and 32 percent (US\$ 58 million) respectively.

<sup>3</sup> This can be partly attributed to a lower price of gold during the period of Jan-May 2014 with an average of US\$ 1,292 per ounce compared to an average of US\$ 1,557 during the same period of 2013.

percent (US\$ 135 million)<sup>4</sup>, 10 percent (US\$ 64 million)<sup>5</sup> and 36 percent (US\$ 43 million)<sup>6</sup> respectively compared to the previous year, against respective declines of 17 percent, 9 percent and 25 percent in terms of volume.

- The impact of these decreases has more than offset the increases in imports of **"Iron and Steel"**, **"Dairy produce; birds' egg"** and **"Pharmaceutical products"** by 29 percent (US\$ 90 million)<sup>7</sup>, 19 percent (US\$ 28 million) and 3 percent (US\$ 13 million) respectively. This variation in value is interpreted in respective rises of 39 percent for the first item and 6 percent for each of the last two in terms of volume.
- As for the **breakdown of Lebanese imports by country of origin** during the period of January-May of 2014, China remained Lebanon's top import trading partner with a share of 12 percent of total imports, noting that 24 percent of imports from this country are **"Iron and steel"**. Italy and United States followed with respective shares of 9 and 7 percent.

Total **exports** reached US\$ 1,387 million during the period of January-May of 2014, reflecting a significant decrease of 30 percent when compared to the same period of 2013, along with a decline of 41 percent in terms of volume.

- Exports of **"Unwrought gold, un-mounted diamond & precious stones"** kept decreasing since the beginning of 2013, registering a year-on-year drop of 46 percent (US\$ 222 million)<sup>8</sup> in terms of value during the first five months of the current year, compared to a decrease of 44 percent in terms of volume.

Table 2: Exports of Natural and precious stones – main components (US\$ Million)

Description	Jan-May 2013	Jan-May 2014	Value Change	% Change
Diamonds, whether or not worked, but not mounted or set.	58	36	-21	-37%
Precious stones (other than diamonds) and semi-precious stones.	5	6	1	27%
Gold (including gold plated with platinum).	380	90	-190	-50% <sup>9</sup>
Articles of jewelry and parts.	35	24	-10	-30%

Source: Directorate General of Customs, Ministry of Finance

<sup>4</sup> This decline in imports of Electrical machinery is rooted in lower imports from turkey by 97 percent (US\$ 219 million) most probably due to the importation of equipment related to the Turkish electricity production barges during 2013. This drop was partly counterbalanced by higher imports from China and Germany by 59 percent (US\$ 58 million) and 163 percent (US\$ 25 million) respectively.

<sup>5</sup> This decrease is mainly attributed to lower imports from Korea, Germany and the United Kingdom by 37 percent (US\$ 29 million), 13 percent (US\$ 23 million) and 25 percent (US\$ 15 million) respectively.

<sup>6</sup> Mainly due to lower imports from Germany by 70 percent (US\$ 30 million).

<sup>7</sup> This increase is attributed to higher imports from China by 292 percent (US\$ 196 million) despite the retraction of imports from Ukraine by 60 percent (US\$ 80 million).

<sup>8</sup> This decrease is mainly attributed to lower exports to South Africa and Switzerland by 43 percent (US\$ 122 million) and 69 percent (US\$ 68 million) respectively.

<sup>9</sup> Refer to footnote 3.

- Exports of **"Mineral fuel and oil"** continued to register a significant decrease since the beginning of 2014, dropping by 96 percent both in terms of value and volume<sup>10</sup> during the aforementioned period compared to the same period of 2013.
- Excluding **"Unwrought gold, un-mounted diamond & precious stones"** and **"Mineral fuel and oil"**, exports decreased by 8 percent (US\$ 99 million). The most notable decreases were registered in exports of **"Copper and Articles"**, **"Electrical machinery and equipment"** and **"Iron and Steel"** which declined by 57 percent (US\$ 58 million)<sup>11</sup>, 32 percent (US\$ 41 million)<sup>12</sup> and 44 percent (US\$ 37 million)<sup>13</sup> respectively.
- These decreases were partly counterbalanced by higher exports of **"Printed books and newspapers"** and **"Miscellaneous edible preparations"** by 77 percent (US\$ 23 million)<sup>14</sup> and 31 percent (US\$ 10 million)<sup>15</sup> respectively.
- **From a regional perspective**, exports to Arab countries are witnessing a year-on-year decrease since the beginning of 2014 with a decline of 28 percent (US\$ 275 million) registered in the first five months of 2014. This decrease is mostly attributed to lower exports to Syria by 71 percent (US\$ 243 million)<sup>16</sup>.
- Lastly, the **breakdown of Lebanese exports by major destination** shows that South Africa<sup>17</sup> was at the top of the list during January-May 2014 with a share of 12 percent of total exports - noting that almost all exports to this country are **"unwrought gold, un-mounted diamond & precious stones"**- followed by other regional countries mainly Saudi Arabia and the United Arab Emirates with respective shares of 11 percent and 9 percent.

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<sup>10</sup> This y-o-y drop in exports of fuel is mostly due to the decrease in exports to Syria by 98 percent (US\$ 258 million) as mentioned in footnote 1.

<sup>11</sup> Driven by respective decreases of 67 percent (US\$ 29 million) and 73 percent (US\$ 10 million) in exports to Korea and Greece.

<sup>12</sup> Driven by a drop in exports to Saudi Arabia and Iraq by 65 percent (US\$ 22 million) and 55 percent (US\$ 15 million) respectively.

<sup>13</sup> Mainly due to a drop in exports to Turkey by 45 percent (US\$ 32 million).

<sup>14</sup> Mainly due to a rise in exports to Saudi Arabia by US\$ 13 million.

<sup>15</sup> Mainly due to an increase in exports to Syria by US\$ 4 million.

<sup>16</sup> Mainly due to lower exports of fuel as stated in Footnote 10 above.

<sup>17</sup> In spite of the drop witnessed in exports to this country by 43 percent (US\$ 123 million) during January-May 2014 due to a fall in gold exports.

Table 3: Trade activity by value

	2013	2014	% Change	2010	2011	2012	2013	2014	% Change
(US\$ millions)	May	May	May 2014/2013	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May	Jan-May 2014/2013
<b>Imports</b>	1,797	1,676	-7%	7,132	7,657	9,169	9,160	8,713	-5%
<i>of which mineral fuel &amp; oil</i>	413	312	-24%	1,371	1,471	2,854	2,279	2,038	-11%
-EDL registered fuel imports	51	0	-100%	380	324	1,292	454	529	16%
-Non EDL fuel imports	362	312	-14%	991	1,147	1,562	1,825	1,508	-17%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals</i>	100	84	-16%	445	664	707	601	435	-28%
<b>Exports</b>	364	315	-13%	1,728	1,706	1,827	1,967	1,387	-30%
<i>of which Unwrought gold, un-mounted diamond, &amp; precious metals</i>	63	59	-7%	487	559	755	482	260	-46%
<i>of which mineral fuel &amp; oil</i>	39	2	-96%	2	1	2	271	11	-96%
<b>Trade Balance</b>	-1,434	-1,362	-5%	-5,404	-5,951	-7,342	-7,193	-7,326	2%

Source: Directorate General of Customs, Ministry of Finance

Table 4: Trade activity by volume

	2013	2014	% Change	2010	2011	2012	2013	2014	% Chang
(millions of Kgs)	May	May	May 2014/2013	Jan- May	Jan- May	Jan- May	Jan- May	Jan- May	Jan-May 2014/2013
<b>Imports</b>	1,170	1,185	1%	5,918	5,597	6,850	6,221	6,389	3%
<i>of which mineral and fuel oil</i>	438	367	-16%	2,239	1,976	3,199	2,435	2,340	-4%
-EDL registered fuel imports	52	0	-100%	672	545	1,505	455	560	23%
-Non EDL fuel imports	386	367	-5%	1,567	1,431	1,694	1,980	1,781	-10%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	121,926	116,178	-5%	367,878	425,915	391,438	544,688	420,714	-23%
<b>Exports</b>	276	180	-35%	1,264	1,248	929	1,287	762	-41%
<i>of which Unwrought &amp; semi-manufactured gold, diamonds, precious stones &amp; metals (Kgs)</i>	7,780	5,455	-30%	45,462	61,910	58,623	34,110	18,958	-44%
<i>of which mineral and fuel oil</i>	40	2	-96%	3	1	1	265	10	-96%
<b>Trade Balance</b>	-894	-1,005	12%	-4,654	-4,349	-5,921	-4,934	-5,627	14%

Source: Directorate General of Customs, Ministry of Finance

✦ The distribution of the top traded products is as follows:

**Table 5: IMPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-May 2013	% Share	Jan-May 2014	% Share	Value Change	% Change
1	Mineral fuels and oils	2,279	25%	2038	23%	-242	-11%
2	Vehicles and accessories, cranes & lorries	639	7%	575	7%	-64	-10%
3	Aircraft engines, Boilers, machinery and mechanical appliances	573	6%	545	6%	-27	-5%
4	Pharmaceutical products	472	5%	484	6%	13	3%
5	Electrical machinery and equipment	571	6%	436	5%	-135	-24%
6	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	601	7%	435	5%	-166	-28%
7	Iron and Steel	314	3%	404	5%	90	29%
8	Plastics and articles thereof	282	3%	283	3%	2	1%
9	Articles of apparel and clothing	208	2%	199	2%	-9	-4%
10	Dairy products	146	2%	174	2%	28	19%
	Other	3,076	34%	3,139	36%	64	2%
	<b>Total</b>	<b>9,160</b>	<b>100%</b>	<b>8,713</b>	<b>100%</b>	<b>-447</b>	<b>-5%</b>

Source: MOF, DGC

**Table 6: EXPORT Distribution by Product (in US\$ million)**

Rank	Product	Jan-May 2013	% Share	Jan-May 2014	% Share	Value Change	% Change
1	Unwrought & semi-manufactured gold, diamonds, precious stones & metals	482	25%	260	19%	-222	-46%
2	Aircraft engines, Boilers, machinery and mechanical appliances	92	5%	101	7%	10	11%
3	Electrical machinery and equipment	129	7%	87	6%	-41	-32%
4	Preparations of vegetables	48	2%	58	4%	10	20%
5	Plastic and articles thereof	56	3%	57	4%	1	2%
6	Printed book, newspapers	30	1%	52	4%	23	77%
7	Essential oils and resino	40	2%	51	4%	10	26%
8	Iron and Steel	84	4%	47	3%	-37	-44%
9	Processed and Refined Copper	101	5%	43	3%	-58	-57%
10	Beverages, spirits and vinegar	35	2%	41	3%	7	20%
	Other	872	44%	589	42%	-283	-32%
	<b>Total</b>	<b>1,967</b>	<b>100%</b>	<b>1,387</b>	<b>100%</b>	<b>-581</b>	<b>-30%</b>

Source: MOF, DGC



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